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In the Supreme Court of the United States

OCTOBER TERM 1966.

No. 433.

McGRAW-EDISON COMPANY,

Petitioner,

vs.

PREFORMED LINE PRODUCTS COMPANY,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT.

SUPPLEMENTAL BRIEF IN OPPOSITION.

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SUPPLEMENTAL BRIEF IN OPPOSITION.

Respondent submits the following Supplemental Brief in Opposition to cover additional points raised by Petitioner's Reply Brief.

REPLY TO PETITIONER'S STATEMENT OF THE "RESPECTIVE CONTROVERSIES."

Petitioner opens its Reply Brief (herein designated "Reply p. __"), with a four page "Comment on Respondent's Brief," the thrust of which is that there are some "issues" not before the Cleveland Court which Petitioner wants decided in this action (Reply pp. 1-4). The "issues" to which it has reference are not capable of adjudication in any court, because they involve nothing more than requests for advisory opinions on hypothetical situations.

Specifically, Petitioner seeks the following advice from the California Court:

(1) Whether the claims of the dead end patent not adjudicated by the Cleveland Court are valid and would be infringed by the dead ends it purchases from Textron (Reply p. 3, "Issue 1"). This raises no justiciable issue. Respondent has never charged Petitioner, Fanner-Textron, or anyone else with infringement of any of the claims of the dead end patent except those found valid and infringed by the Cleveland Court [R. 154]. See also *Preformed Line Prods Co. v. The Fanner Mfg. Co.*, 328 F. 2d 265, 270 (6th Cir. 1964).

(2) Whether (a) if Fanner is shut off as a source of supply, and (b) if Petitioner thereafter elects to make or have made a "straight bight" type of dead end, and (c) if the dead end Petitioner adopts is of a type which raises a question of infringement, Petitioner could "lawfully" sell such a dead end (Reply p. 3, "Issue 2"). This request for advice was specifically rejected by the Court of Appeals (App., p. 16). See also Respondent's Brief in Opposition, pp. 9-10. The dead end which Petitioner may some day make or sell is not now in existence and neither the California Court nor any other court has jurisdiction to render an advisory opinion on such an abstract question.

(3) Whether, if the patent issue were ever tried by the California Court, Petitioner would have a "misuse" * defense (Reply pp. 3-4, "Issues 3, 2 [*sic*]

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* Notwithstanding Petitioner's statement of "Issue 3," which gives the impression that something more than a declaration of its misuse defense is requested (Reply, pp. 3-4), the only pertinent prayer of the counterclaim is for a declaration that Respondent be "estopped to assert" the dead end patent against Petitioner [R. 143]. In any event, all of the instances of alleged

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and 5"). This is merely compounding requests for advisory opinions. It is evident that since Petitioner's "plan" to manufacture dead ends independently does not create an actual controversy (App., p. 16), its desire to assert certain affirmative defenses to justify such a "plan" cannot create an actual controversy.

The only "issues tendered" in the California case upon which there is an *actual controversy* relate to Fanner-made products. Such issues have already been decided by, or are pending decision in, the Cleveland Court.

ARGUMENT.

I.

The District Court Had Discretionary Power to Dismiss This Action.

Respondent agrees that discretion under the Declaratory Judgments Act is to be "soundly exercised" and that such exercise is "subject to review". (Reply pp. 5-7). Respondent has demonstrated in its initial brief that the trial court did exercise sound discretion, which the Court of Appeals reviewed and approved. (Brief in Opposition, pp. 8-9). It is now time to observe this Court's admonition against upsetting a lower court's discretionary ruling made after an extended and careful study of the circumstances. *Kerotest Mfg. Co. v. C-O-Two Fire Equip. Co.*, 342 U. S. 180, 183-84 (1952).

(Continued from preceding page)

misuse asserted by Petitioner were raised by Fanner in the Cleveland litigation, except Petitioner's claim that misuse occurred from the mere fact of filing the California case ("Issue 5"). If this be misuse, then such must have been purged when Respondent dismissed the action, which Petitioner is now trying to reinstate.

II.

The District Court Properly Exercised Its Discretionary Power in Dismissing This Action Without Prejudice in Light of the Cleveland Proceedings.

Petitioner's argument that the prior pending litigation in Cleveland "cannot support dismissal of the counterclaim" (Reply pp. 7-10) is premised on the erroneous assumption that there are actual controversies between Petitioner and Respondent, apart from those relating to Fanner-made products, which should be resolved in the California action. Petitioner's reliance on *Altvater v. Freeman*, 319 U. S. 359 (1943) in this regard is grossly misplaced (Reply pp. 8-9). That case did not involve dismissal in deference to a prior pending action.

The pending litigation in Cleveland was a compelling reason for dismissal of the counterclaim, because that action is the only one that can completely settle the controversy as to Fanner-made products.

III.

Petitioner's Statement of the Single Issue Ignores the Essential Facts.

Petitioner has attempted to restate the single issue presented in its Petition, but cannot resist the temptation of stating it in a "loaded" fashion (Reply p. 10). The issue as stated by Petitioner ignores these essential facts:

(1) The counterclaim requested only *declaratory relief*. Although Petitioner initially requested treble damages for violation of the antitrust laws, it had withdrawn this prayer by the time of dismissal. *Compare* R. 45 *with* R. 145.

(2) The action was dismissed *without prejudice* [R. 226].

(3) The only matters in actual controversy involve Fanner-made products, which are before the Cleveland Court in a prior action.

Since none of the above three factors appear in Petitioner's statement of the "single issue," Respondent must reject it as incomplete and misleading. The issue is accurately framed in Respondent's Brief in Opposition, pp. 1-2.

The authorities cited by Petitioner for the proposition that courts should always take jurisdiction of a counterclaim for declaratory relief as to patent validity and infringement are irrelevant because they do not involve a prior pending action encompassing the same issues raised by the counterclaim (Reply p. 11). Petitioner's authorities would be pertinent only if there were no Cleveland litigation.

Neither the names of the parties nor the form of their respective claims can be controlling on whether, in the interest of justice, a court should accept or decline jurisdiction of an action for declaratory relief in deference to a prior pending action. As the Court of Appeals recognized, the only real controversy involves Fanner-made products, and that issue "should first be determined in the Ohio court, where any judgment will be binding upon the manufacturer of the product" (App., p. 16).

CONCLUSION.

For the reasons set forth in Respondent's Brief in Opposition, as supplemented herein, the Petition for Writ of Certiorari should be denied.

Respectfully submitted,

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